GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3189
ANSWERED ON:22.03.2002
INCOME OF SEBI
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Will the Minister of FINANCE be pleased to state:

(a) the details of sources of income other than income realised through registration fees from where SEBI generates resources ;

(b) the reasons for the decline in income of SEBI for the past few years; and

(c) the steps SEBI has taken to augment its revenue generation in the coming years ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Besides fees from intermediaries, SEBI generates income by way of levying penalties, interest on investments and deposits etc.

(b) : While there has been no decline in the income of SEBI at the aggregate level, there has been a decline in the income of fees received from some of the intermediaries such as Merchant Bankers, Underwriters, Mutual Funds etc. during the year 2000-2001 over the previous year 1999-2000. This is mainly due to the subdued activities noticed in the primary market.

(c) : Fees from intermediaries such as Depositories Participants, Stock Lenders, Brokers taking registration for Derivatives Membership augment the SEBI`s revenues. In the case of intermediaries in the Primary Market, such as Merchant Bankers, Underwriters, Portfolio Managers, Registrars and Transfer Agents, Trustees and Bankers of the Issue, registration fees are collected for three years at a time. In the past the fee was payable annually and many intermediaries defaulted in payment of fees leading to arrears.